



# **The Commonwealth of Massachusetts**

## **DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

### **FIRST SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY SETTLEMENT INTERVENTION STAFF TO MILFORD WATER COMPANY DTE 05-61**

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Pursuant to 220 C.M.R. § 1.06 (6)(c), the Department of Telecommunications and Energy ("Department") Settlement Intervention Staff ("SIS") submits to Milford Water Company ("Milford") its First Set of Information Requests.

#### **Instructions**

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by SIS to Milford in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of requests, a reference to request number, the docket number of the case and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if Milford or any of its witnesses receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term "provide complete and detailed documentation" means:  
  
Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work papers.
5. The term "document" is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche,

computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notation or other markings that differentiate such copies from the original.

6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please serve copies of the responses as follows: (a) an original and four (4) copies to Mary L. Cottrell, Secretary of the Department; and (b) one (1) copy to all parties. All written documents (except those for which confidential treatment is sought) should also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to [dte.efiling@state.ma.us](mailto:dte.efiling@state.ma.us) and to [Shaela.Collins@state.ma.us](mailto:Shaela.Collins@state.ma.us); or (2) on a 3.5" disk, IBM-compatible format. The text of the e-mail or the disk label must specify: (1) the docket number of the proceeding (D.T.E. 05-61), (2) name of the person or company submitting the filing, and (3) a brief descriptive title of the document (e.g., Response to Information Requests). The electronic filing should also include the name, title and phone number of a person to contact in the event of questions about the filing. Text responses should be created in either Corel WordPerfect, Microsoft Word, or as an Adobe-compatible PDF file. Data or spreadsheet responses should be compatible with Microsoft Excel. Documents submitted in electronic format will be posted on the Department's Website, <http://www.mass.gov/dte>.

### **Requests**

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| SIS 1-1 | Refer to page 10 of the prefiled testimony of Mr. Alcott. Please describe the present status of the new source of supply project for the Town of Hopedale.   |
| SIS 1-2 | Refer to page 10 of the prefiled testimony of Mr. Alcott. Please provide the annual consumption and revenues for each year from 2000 through 2004 to the Town of Hopedale, as well as month-by-month consumption and sales from January of 2005 through September of 2005. |
| SIS 1-3 | Refer to page 10 of the prefiled testimony of Mr. Alcott. Please provide all correspondence between the Town of Hopedale and Milford relating to the Town of Hopedale's intention to cease purchasing water from Milford.  |
| SIS 1-4 | Refer to page 10 of the prefiled testimony of Mr. Alcott. Please explain the impact of the Town of Hopedale's intention to cease purchasing water from Milford upon Milford's sales of water to the Town of Mendon.  |

- SIS 1-5      Refer to page 3 of Exhibit SBA-1. Please provide a copy of the office lease agreement referenced on this schedule.
- SIS 1-6      Refer to page 3 of Exhibit SBA-1. Please provide the test year revenues and expenses related to Milford's merchandising and jobbing operations. In addition, identify and describe the services included in the classification "Merchandising and Jobbing."
- SIS 1-7      Refer to page 3 of Exhibit SBA-1. Please itemize and describe the \$2,427 expended for "Miscellaneous Non-operating Income."
- SIS 1-8      Refer to page 3 of Exhibit SBA-1. Please explain the \$579 expended for "Flat Rate Sales to General Customers."
- SIS 1-9      Refer to page 4, lines 19 and 20, of the prefiled testimony of Mr. Alcott. Please provide an account-by-account breakdown of Milford's plant account balances for the years 1997 through 2004.
- SIS 1-10     Refer to page 4, lines 7 and 8, of the prefiled testimony of Mr. Alcott. Please provide complete and detailed documentation of the derivation of Milford's revenue requirement, which has not otherwise been provided in the initial filing.
- SIS 1-11     Refer to page 5, lines 3 and 4, of the prefiled testimony of Mr. Alcott, where Milford states that expenses increased 23 percent for a compound annual rate of approximately 2.7 percent. Please provide the corresponding increases in sales over the same period.
- SIS 1-12     Refer to page 10 of the prefiled testimony of Mr. Papuga. Please describe the process by which Milford activates its emergency purchasing arrangements from those communities for which emergency interconnection arrangements are in place.

- SIS 1-13 Refer to page 10 of the prefiled testimony of Mr. Papuga. Please provide, for the period from January 1, 1999 through September 30, 2005, the following information:
- (a) the date(s) on which emergency water was purchased;
  - (b) the water system selling the water;
  - (c) the amount of water purchased on that day; and
  - (d) the price per unit purchased.

If the meter at the interconnection is read other than on a daily basis, provide this information based on the appropriate meter reading cycle in lieu of daily information.

- SIS 1-14 Refer to page 52 of Exhibit SBA-1, WP-MISC EXP. Please state how much water Milford has purchased since mid-September of 2005. In addition, explain how Milford estimated \$50,000 in purchased water for 2005.
- SIS 1-15 Refer to Milford's proposed M.D.T.E. No. 17, Original Sheet 8. Please define and quantify the term "significant purchase of water."
- SIS 1-16 Refer to Milford's proposed M.D.T.E. No. 17, Original Sheet 8. Please explain whether Milford requires any Department ruling or accounting approval of the creation of a deferred account to book purchased water expenses until their recovery through the proposed Surcharge For Water Purchased mechanism.
- SIS 1-17 Refer to pages 19 (Schedule R-9) and 52 (WP-MISC EXP) of Exhibit SBA-1. Please explain whether Milford's proposed adjustment for purchased water, combined with its proposed Surcharge For Water Purchased would result in an over recovery of purchased water expense through the inclusion in rates of both a normalized level of purchased water costs in metered service rates and in a surcharge mechanism.
- SIS 1-18 Refer to Milford's proposed M.D.T.E. No. 17, Original Sheet 8. Please explain whether Milford intends to implement the Surcharge For Water Purchased on an automatic basis, or seek approval from the Department prior to implementing any rate changes under the proposed surcharge mechanism.
- SIS 1-19 Please explain in detail how the proposed Surcharge for Water Purchased will be presented on customer bills.

- SIS 1-20 Refer to page 4, lines 7 and 8, of the prefiled testimony of Mr. Alcott. Please provide complete and detailed documentation of the derivation of Milford's rate structure changes requirement, which has not otherwise been provided in the initial filing.
- SIS 1-21 Refer to page 6 of the prefiled testimony of Mr. Alcott. Please explain the basis for limiting the rate effects under the proposed Phase 1 to an overall increase of 20 percent.
- SIS 1-22 Refer to page 6 of the prefiled testimony of Mr. Alcott. Please provide complete and detailed documentation in support of Milford's testimony that it will be "losing" money between Phase 1 and Phase 2.
- SIS 1-23 Refer to page 7 of the prefiled testimony of Mr. Alcott. Please provide a copy of the Comprehensive Compliance Evaluation from the Department of Environmental Protection ("DEP") dated March 9, 2005.
- SIS 1-24 Refer to page 7 of the prefiled testimony of Mr. Alcott. Please provide all correspondence between Milford and the DEP regarding the March 9, 2005 Comprehensive Compliance Evaluation.
- SIS 1-25 Refer to Milford's proposed M.D.T.E. No. 17, Original Sheet 1. Please explain Milford's proposal to set the "conservation rate" at twice the regular metered service rate.
- SIS 1-26 Please provide copies of any studies done to show how Milford's proposed rate design works to achieve water conservation. In addition, provide complete and detailed documentation of the data showing that doubling rates will result in water conservation.
- SIS 1-27 Refer to pages 4, 5 and 9 of the prefiled testimony of Mr. Alcott. Identify and describe in detail the factors Milford considered in deciding how much to increase rates.
- SIS 1-28 Refer to pages 7 and 8 of the prefiled testimony of Mr. Alcott. Please explain how Milford currently books system development charge revenues, and how such revenues will be booked in the future.
- SIS 1-29 Refer to page 17 of Exhibit SBA-1. Please provide a copy of Milford's most recent capital expenditures plan. If such a plan does not exist in formal written form, provide a summary of Milford's anticipated capital expenditures for the year 2005 through 2009.

- SIS 1-30 Please provide copies of all capital project work orders in excess of \$25,000 along with the final costs associated with each work order for the period from January 1, 1998 through December 31, 2004. As part of this response, provide any change orders associated with the work orders.
- SIS 1-31 Refer to page 17 of Exhibit SBA-1. Please explain the basis for determining that meters in excess of four inches require the establishment of system development charges on a case-by-case basis.
- SIS 1-32 Refer to page 8 of the prefiled testimony of Mr. Alcott. Please provide Milford's current charges for: (1) turn-on/turn-off charges; (2) meter test fees; (3) return check fees; (4) cross-connection testing fee; (5) broken meter seal fee; and (6) permit fees/charges for use of a public hydrant.
- SIS 1-33 Refer to page 8 of the prefiled testimony of Mr. Alcott. Please provide, for each year from 2001 through 2004, the number of times the following fees have been imposed on Milford's ratepayers: (1) turn-on/turn-off charges; (2) meter test fees; (3) return check fees; (4) cross-connection testing fee; (5) broken meter seal fee; and (6) permit fees/charges for use of a public hydrant.
- SIS 1-34 Refer to page 11 of the prefiled testimony of Mr. Papuga. Please provide an itemized breakdown of the costs incurred as of September 30, 2005 on the Lake Louisa project.
- SIS 1-35 Refer to page 11 of the prefiled testimony of Mr. Papuga. Please explain the current status of the Lake Louisa project and describe the "regulatory issues" that Milford is encountering on this project.
- SIS 1-36 Refer to page 11 of the prefiled testimony of Mr. Papuga. Please provide an itemized breakdown of the costs incurred as of September 30, 2005 on the Upton well project.
- SIS 1-37 Refer to page 11 of the prefiled testimony of Mr. Papuga. Please explain the current status of the Upton well project and describe the "regulatory issues" that Milford is encountering on this project.
- SIS 1-38 Please describe the water usage of Milford's commercial and industrial customers, including average monthly usage and purpose if known.
- SIS 1-39 Please explain the affiliation between Milford and R. H. White Construction Company.

SIS 1-40      Refer to pages 8 and 9 of the prefiled testimony of Mr. Papuga. Please provide complete and detailed documentation supporting Milford's knowledge and belief that (a) construction management services are generally performed at 7-10 percent of project cost and (b) that other utilities have obtained construction management services from R.H. White Construction Company for a cost equal to five percent of project costs.